



## Goods Movement Program Heavy-duty Diesel Trucks YR 2 Program Fact Sheet

The Proposition 1B: Goods Movement Emission Reduction Program (Program) is a partnership between the California Air Resources Board (ARB) and local agencies (like air districts and seaports) to quickly reduce air pollution emissions and health risk from freight movement along California trade corridors. Projects funded under this Program must achieve early or extra emission reductions not otherwise required by law or regulation. As a part of this Program the Bay Area Air Quality Management District (District) is soliciting projects that will reduce emissions from heavy duty diesel trucks operating in California's trade corridors.

### **When will funding be available?**

The District will be accepting applications for heavy-duty diesel trucks between **March 1, 2011 and April 30, 2011**. The District anticipates contracting for projects selected for funding in late summer 2011.

### **How much funding is available for truck projects?**

The District has approximately \$8 million in California Goods Movement Bond funding available for projects. There is a possibility that additional funding could be added to the total funding amount during the solicitation period. The funding is available for heavy-duty truck projects that include: Truck retrofit, truck replacement, engine repower, three-way truck transactions, and electrification infrastructure for truck stop or distribution center (contact the District for more information on these projects).

### **How will projects be selected?**

Project applications will be evaluated by District staff and then competitively ranked by the District and then the ranked list will be approved by the ARB. The competitive ranking is based on estimated emission reductions and cost-effectiveness that considers match funding. Applicants may request a reduced funding amount to increase the proposed project's cost effectiveness and competitiveness.

### **How can I apply?**

Project applications are available on the District's website at [www.baaqmd.gov/goods](http://www.baaqmd.gov/goods). If you are unable to complete the application online, paper applications are available upon request. Please contact the program office. Applications and all supporting documentation **must be received by the District by 3:00 pm on April 30, 2011.**

### **What are the Heavy-duty Diesel Trucks Equipment Project Specifications?**

See Table 2 for a summary of the program requirements. Additional information is available on the District's website.

### **Where can I find more information?**

If you have any questions regarding this program or the application process, please contact the program office by phone at **(415) 749-4994** (option 1) or by e-mail at: [grants@baaqmd.gov](mailto:grants@baaqmd.gov)

### **Useful Resources:**

- BAAQMD Goods Movement Program website: [www.baaqmd.gov/goods](http://www.baaqmd.gov/goods)
- ARB Goods Movement Emission Reduction Program:  
<http://www.arb.ca.gov/bonds/gmbond/gmbond.htm>
- ARB truck stop website (source of information on ways to improve fuel efficiency):  
<http://www.arb.ca.gov/msprog/truckstop/truckstop.htm>

**Table 1: Heavy-duty Diesel Trucks Equipment Project Specifications**

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| <p><b>General Requirements</b><br/>(applicable to <u>all</u> project options)</p> | <p><b>Diesel Trucks shall:</b></p> <ul style="list-style-type: none"> <li>• haul goods for sale or purchase more than 50% of the time</li> <li>• have manufacturer GVWR 26,001 lbs or greater (verified at pre-inspection)</li> <li>• have operated at least 75% of the time in California over previous 2 years, with a minimum of 5,000 vehicle miles traveled each year.</li> <li>• have been registered with CA DMV for the past two years (documentation required for application)</li> </ul> <p><b>Equipment owner shall:</b></p> <ul style="list-style-type: none"> <li>• NOT order any equipment being funded by the District prior to the pre-inspection of the existing equipment, contract being signed by all parties, and the equipment owner receiving a start-work letter from the District.</li> <li>• Commit to the project life specified with the applicable equipment project option.</li> <li>• Adhere to all Program Requirements during the project life.</li> <li>• Commit to 100% California-only operation (or 90% California-only operation as selected by the equipment owner) and California base-plated registration or California IRP. Dual plates and out-of-state registrations are prohibited.</li> <li>• Commit to at least 50% of travel within the four trade corridors for the duration of the project life.</li> <li>• Maintain current DMV registration at all times during the project life.</li> <li>• Agree to accept an on-board electronic monitoring unit at any time during project life.</li> <li>• Agree to equipment inspections.</li> <li>• Comply with record-keeping, reporting, and audit requirements.</li> <li>• Sign a legally binding contract with the District including project milestone and completion deadlines.</li> <li>• Properly maintain truck in good operating condition and according to manufacturer's recommendations.</li> <li>• Maintain collision/comprehensive insurance on the truck for replacement projects.</li> <li>• Demonstrate proof of equipment warranty on the program-funded equipment.</li> <li>• Correct outstanding ARB equipment violations associated with the owner's entire fleet of vehicles.</li> <li>• Submit annual reports to the District for the life of the project</li> </ul> |
| <p><b>Option (1):</b></p> <p><b>PM Retrofit Requirements</b></p>                  | <p>Partial funding (see options below) to retrofit an eligible MY1994-2006 heavy-duty diesel engine with an ARB verified Level 3+ diesel particulate filter that reduces PM by 85% or more. <b><u>Drayage trucks are not eligible.</u></b></p> <p><b>1. \$5,000/truck with a project life of 2 years.</b></p> <p>Program-funded diesel particulate filter shall be installed and operational (post-inspection completed) prior to a regulatory requirement for that technology or level of emissions control under the best available control technology provisions of any adopted rule for in-use trucks. ARB will post and update information on the Program website describing operational deadlines for the applicable project option.</p> <p><b>2. \$10,000/truck with project life of 4 years.</b></p> <p>Program-funded diesel particulate filter shall be installed and operational (post-inspection completed) prior to a regulatory requirement for that technology or level of emissions control under the best available control technology provisions of any adopted rule for in-use trucks. ARB will post and update information on the Program website describing operational deadlines for the applicable project option.</p> <p>&gt; In addition to the General Requirements listed previously, equipment owner shall:</p> <ul style="list-style-type: none"> <li>• Demonstrate that specified 1993-1998 engines have completed required software upgrades for diesel trucks (i.e., chip reflash).</li> </ul>  |

**Option (2):****Replacement Requirements**

Partial funding (see options below) to replace 1 truck (or 2 trucks, as part of a 2-for-1 replacement) equipped with eligible Model Year 2003 or older heavy-duty diesel engine(s) with a diesel or alternative fuel truck. New or used trucks purchased for a truck replacement project must have a manufacturer's GVWR of 26,001 lbs – 33,000 lbs (Class 7) or of 33,001 lbs or greater (Class 8). The replacement truck must be in the same weight classification range (Class 7 or Class 8) as the existing truck. For example, a Class 7 truck can only be replaced with a Class 7 truck.

**Drayage Trucks**

Drayage truck owners that have received funding in the past from an air district and are still under contract for the funds received are not eligible to apply for funding. Owners of eligible drayage trucks with a MY1994-2003 engine that commit to 90% or 100% California-only operation may have the option to compete for funding as follows:

**Class 8 truck (GVWR of 33,001 lbs or greater):** To be eligible, the replacement truck must have less than 500,000 miles with odometer verification at the time of purchase (post inspection).

- **\$50,000/truck** for a replacement truck with an engine that meets 2010 emissions (0.20 g/bhp-hr or lower NO<sub>x</sub>).

**Class 7 truck (GVWR of 26,001 lbs – 33,000 lbs):** To be eligible, the replacement truck must have less than 250,000 miles with odometer verification at the time of purchase (post inspection).

- **\$30,000/truck** for a replacement truck with an engine that meets 2010 emissions (0.20 g/bhp-hr or lower NO<sub>x</sub>).

**Non-Drayage Trucks**

Owners of all eligible non-drayage trucks that commit to 90% or 100% California-only operation can compete for funding as follows.

**Class 8 truck (GVWR of 33,001 lbs or greater):** To be eligible, the replacement truck must have less than 500,000 miles with odometer verification at the time of purchase (post inspection).

- **\$60,000/truck** for a replacement truck with an engine that meets 2010 emissions (0.20 g/bhp-hr or lower NO<sub>x</sub>)
- **\$50,000/truck** for a replacement truck with an engine that meets 2007+ emissions (0.50 g/bhp-hr or lower NO<sub>x</sub>)
- **\$40,000/truck** for a replacement truck with an engine that meets 2007 emissions (1.20 g/bhp-hr or lower NO<sub>x</sub>).

**Class 7 truck (GVWR of 26,001 lbs – 33,000 lbs):** To be eligible, the replacement truck must have less than 250,000 miles with odometer verification at the time of purchase (post inspection).

- **\$40,000/truck** for a replacement truck with an engine that meets 2010 emissions (0.20 g/bhp-hr or lower NO<sub>x</sub>)
- **\$30,000/truck** for a replacement truck with an engine that meets 2007+ emissions (0.50 g/bhp-hr or lower NO<sub>x</sub>)
- **\$25,000/truck** for a replacement truck with an engine that meets 2007 emissions (1.20 g/bhp-hr or lower NO<sub>x</sub>).

> In addition to the General Requirements listed previously, equipment owner shall:

- Commit to a project life of 5 years or 500,000 miles, whichever comes first.
- Scrap the old/existing truck(s).
- Purchase a minimum of a 1-year or 100,000-mile major component engine warranty for the replacement vehicle that covers parts and labor.
- Provide a copy of ARB Executive Order documenting that the new engine meets the applicable 2007 (1.20 g/bhp-hr NO<sub>x</sub>), 2007+ (0.50 g/bhp-hr NO<sub>x</sub>), or 2010 (0.20 g/bhp-hr NO<sub>x</sub>) emission standards.

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| <p><b>Option (3):</b></p> <p><b>Repower Requirements</b></p>                      | <p>Program-funded engine shall be installed and operational (post-inspection completed, except scrappage) prior to a regulatory requirement for that technology or level of emissions control under the best available control technology provisions of any adopted rule for in-use trucks. ARB will post and update information on the Program website describing operational deadlines for the applicable project option.</p> <p>In addition to the General Requirements listed previously, equipment owner shall:</p> <ul style="list-style-type: none"> <li>• Commit to a project life of 5 years or 500,000 miles, whichever comes first.</li> <li>• Scrap the old engine.</li> <li>• Purchase a minimum of a 1-year or 100,000-mile major component engine warranty for the replacement engine that covers parts and labor.</li> <li>• Provide a copy of ARB Executive Order documenting that the new engine meets 2010 emission standards.</li> </ul>   |
| <p><b>Option (4):</b></p> <p><b>Three-way Truck Transactions Requirements</b></p> | <p><b><u>How it works</u></b></p> <p><b>Truck A:</b> Heavy duty diesel truck with MY1998-2006 engine.<br/> <b>Truck B:</b> Heavy duty diesel truck with MY1993 or older engine (GVWR &gt; 26,000 lbs).<br/> <b>Truck C:</b> Heavy duty truck (diesel or alternative fuel) that meets 2010 emissions.</p> <ol style="list-style-type: none"> <li>1. Replace an eligible truck that has a MY1998-2006 engine (Truck A) with a diesel or alternative fuel truck (Truck C) with an engine that meets 2010 emissions (0.20 g/bhp-hr or lower NOx).</li> <li>2. Retrofit Truck A with an ARB-verified Level 3 Plus diesel particulate filter that reduces diesel PM by 85% or more.</li> <li>3. Scrap a MY1993 or older diesel truck (Truck B) and replace with Truck A.</li> </ol> <p><b><u>Funding Options (dravage trucks)</u></b></p> <ol style="list-style-type: none"> <li>1. \$50,000 for Truck C if Truck A is Class 8 (GVWR of 33,001 lbs or greater).</li> </ol> <p><b><u>Funding Options (non-dravage trucks)</u></b></p> <ol style="list-style-type: none"> <li>1. \$60,000 for Truck C if Truck A is Class 8 (GVWR of 33,001 lbs or greater).</li> <li>2. \$40,000 for Truck C if Truck A is Class 7 (GVWR of 26,001 lbs – 33,000 lbs).</li> <li>3. Up to \$5,000 to retrofit Truck A</li> </ol> <p><b><u>Requirements</u></b></p> <p>Truck C shall be purchased and operational (post inspection completed, except scrappage) prior to a regulatory requirement for that technology or level of emissions control under the best available control technology provisions of any adopted rule for in-use trucks. ARB will post and update information on the Program website describing deadlines for the applicable project option. Truck C must be the same weight class as Truck A. To be eligible, Truck C must have less than 500,000 miles if Class 8, or 250,000 miles if Class 7 with odometer verification at the time of post inspection.</p> <p>Truck A shall be equipped with an operational diesel particulate filter by the operational deadlines for a regulatory requirement for that technology or level of emissions control under the best available control technology provisions of any adopted rule for in-use trucks if optional retrofit funding is received for Truck A. ARB will post and update information on the Program website describing operational deadlines for the applicable project option. Truck A must be the same weight class as Truck C.</p> <p>In addition to the applicable General Requirements listed previously, the original owner of Truck A and new owner of new Truck C shall:</p> <ul style="list-style-type: none"> <li>• Equip Truck A with an ARB verified Level 3 Plus diesel particulate filter and transfer ownership (if applicable) to the owner of old Truck B.</li> <li>• Commit to a project life of 5 years or 500,000 miles, whichever comes first, for Truck C.</li> <li>• Commit to 90% or 100% California-only operation at the time of application.</li> <li>• Purchase a minimum of a 1-year or 100,000-mile major component engine</li> </ul> |

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|   | <p>warranty for Truck C that covers parts and labor.</p> <ul style="list-style-type: none"> <li>• Provide a copy of ARB Executive Order documenting that the new truck engine in Truck C meets 2010 emissions.</li> <li>• Demonstrate that specified 1993-1998 diesel engines subject to required software upgrades (i.e., chip reflash) have completed the upgrade for Truck A.</li> </ul> <p>In addition to the applicable General Requirements listed previously, the original owner of old Truck B and new owner of retrofit Truck A shall:</p> <ul style="list-style-type: none"> <li>• Scrap Truck B.</li> <li>• Commit to a project life of 2 years and all applicable Program requirements for Truck A, if retrofit funding is received.</li> </ul>   |
| <b>Modifying an application</b>                   | <p>Equipment owners may change the project option or lease-to-own program participation after the local agency solicitation period has closed if permitted by the Air District and subject to the following requirements:</p> <ul style="list-style-type: none"> <li>• The change must result in a funding amount equal to or less than the amount that was requested in the original application.</li> <li>• The change must result in a calculated project cost-effectiveness equal to or greater than the project listed in the original application.</li> </ul> <p>Changes to project equipment or vehicle ownership after the local agency solicitation period has closed must be approved by air district staff. Failure to report changes in a timely way may result in project termination.</p> |
| <b>Payments</b>                                   | <p>Program funds will be disbursed to the equipment owner only after the new equipment is demonstrated to the District inspector to be fully operational (post-inspection). Program funds will not be provided for financing or progress payments. The equipment owner will have the option to receive reimbursement or have the reimbursement sent on their behalf to the vendor that provided the funded equipment.</p>   |
| <b>Remedies for non-performance</b>               | <p>Remedies for non-performance include, but are not limited to:</p> <ul style="list-style-type: none"> <li>• Recovery of all or a portion of Program funds.</li> <li>• Other fiscal penalties on equipment owners based on the severity of the non-performance.</li> <li>• Cancellation of the contract.</li> <li>• A ban on the equipment owner's ability to participate in future State incentive programs.</li> <li>• Prohibiting a specific piece of equipment from participating in another State incentive program.</li> </ul>   |
| <b>Definition of a drayage truck (port truck)</b> | <p>A drayage truck means any in-use on-road vehicle (GVWR of 26,001 lbs or greater) that pulls a trailer or chassis that is used for transporting cargo (such as containerized, bulk or break-bulk goods) that operates:</p> <ul style="list-style-type: none"> <li>• On or transgresses through port or intermodal rail yard property for the purpose of loading, unloading, or transporting cargo, including transporting empty containers and chassis, or</li> <li>• Off-port or intermodal rail yard property transporting cargo or empty containers or chassis that originated from or is destined to a port or intermodal rail yard property.</li> </ul>  |
| <b>Ineligible Equipment</b>                       | <ul style="list-style-type: none"> <li>• Trucks subject to ARB's public and utility fleet rule.</li> <li>• Trucks subject to ARB's solid waste collection vehicle rule.</li> <li>• Trucks subject to ARB's diesel cargo handling equipment rule.</li> <li>• Drayage trucks that previously received grant funding and are still under contract for their previous grant award.</li> </ul>   |

*\* This is a summary of the program requirement and not a complete list of requirements.*